

HOUSE BILL 914
By Kelsey

AN ACT to enact the "Property Tax Refund Act" and to amend Tennessee Code Annotated, Title 4, Chapter 3, Part 10; Title 9, Chapter 9, Part 1 and Title 67, relative to the distribution of surplus revenue. This act makes appropriations for the purpose of redistributing surplus revenue to taxpayers for an indefinite period of time.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known and may be cited as the "Property Tax Refund Act".

SECTION 2. Tennessee Code Annotated, Title 9, Chapter 9, Part 1, is amended by adding the following language as a new section:

Section 9-9-121.

(a) Prior to January 1 each year, the funding board shall project an amount of estimated revenue for the second fiscal year subsequent to the current fiscal year.

(b) Prior to May 1 in a fiscal year for which a projection pursuant to subsection (a) was made, the funding board shall estimate an amount of revenue for that fiscal year.

(c) Prior to May 1, 2008, and prior to May 1 in each subsequent year:

(1) The funding board shall subtract the amount projected in subsection (a) from the amount estimated in subsection (b).

(2) The funding board shall subtract all supplemental appropriations for the current fiscal year made prior to the revenue

estimate in subsection (b) from the sum derived in subsection

(c)(1). The amount remaining, if any, shall be surplus revenue.

(3) The funding board shall certify to the governor, speaker of the senate and speaker of the house the amount of surplus revenue.

(d) Prior to July 1, 2008, and prior to July 1 in each subsequent year, the amount of surplus revenue shall be distributed to the various counties on the basis of population as of the most recent federal census.

(e)

(1) Each county trustee shall allocate the surplus to each parcel based on the ratio of the taxes generated by the parcel for the previous tax year to the total real property taxes generated by the county levy for the previous tax year.

(2) The county shall redistribute such surplus as a real property tax credit to each owner of a parcel against the next levy following distribution in accordance with subsection (d) based on the ratio for such parcel calculated by the trustee in accordance with subsection (e)(1).

SECTION 3. This act shall take effect July 1, 2005, the public welfare requiring it.